

FREE AND REDUCED-PRICE POLICY STATEMENT

Section 1.01 Policy Statement for Pricing Programs

This policy statement outlines regulations of the United States Department of Agriculture and will be considered a permanent document. This statement applies to the programs in which the sponsor will be participating as indicated on the application and agreement.

The SPONSOR assures the STATE AGENCY that the SPONSOR will implement a policy in conformance with 7 CFR part 245.10 to determine children's eligibility for free and reduced-price benefits (meals and/or milk) in the National School Lunch, School Breakfast and Special Milk Programs under its jurisdiction. In fulfilling its responsibilities, the SPONSOR shall:

1. Provide prescribed benefits free or at a reduced-price to children from families whose income does not exceed DEPARTMENT guidelines or to children from food stamp households, CA or FDPIR assistance units that provide a case number or are directly certified by the Department of Economic Security. NOTE: The SPONSOR has two options if participating in the Special Milk Program: 1) to offer milk *free*, or 2) to *charge* for milk, on a nonprofit basis.
2. Submit annually to the STATE AGENCY, Child Nutrition Programs Unit, copies of the SPONSOR'S Parent Letter (including names of the reviewing officials and hearing official), Income Application, Approval/Denial Notice, Meal Count System Information, the Free and Reduced-Price Document Summary and After School Care Program Information, **if** the SPONSOR is new to the program or if there have been changes to the previously approved forms.
3. If there have been **no changes**, submit the Free and Reduced-Price Document Summary and indicate the options you have selected for the new program year. The Income Application, Approval/Denial Notice and Meal Count System Information shall be deemed part of this policy statement and will be made permanent. Changes to any of the above documents require the approval of the STATE AGENCY, Child Nutrition Programs Unit.
4. Accept applications at any time during the year. If a child transfers from one school to another, under the jurisdiction of the same SPONSOR, eligibility for free or reduced-price benefits will be transferred to and honored by the receiving school. All children from a family that receives the same benefits shall be notified within ten working days of the acceptance or denial of their application. Children shall be served immediately upon the establishment of their eligibility.
5. When an application is rejected, parents or guardians shall be informed in writing of the reason for denial and of the hearing procedures herein provided. Parents shall be notified that they may reapply for free and reduced-price benefits or free milk at any time during the school year. The SPONSOR shall designate as a hearing official someone not involved in the original eligibility determination, preferably someone in a position superior to that of the determining official.
6. Establish a hearing procedure under which: (1) a family may appeal a decision made by the School Food Authority with respect to an application the family has made for free or reduced-price meals or for free milk, and (2) the School Food Authority may challenge the continued eligibility of any child for a free or reduced-price meal or for free milk. The hearing procedure shall provide for both the family and the School Food Authority:
 - a) A simple, publicly announced method to make an oral or written request for a hearing;
 - b) An opportunity to be assisted or represented by an attorney or other person;
 - c) An opportunity to examine, prior to and during the hearing, any documents and records presented to support the decision under appeal
 - d) Assurance that the hearing shall be held with reasonable promptness and convenience, and that adequate notice shall be given as to the time and place of the hearing;

Appendix E (continued)

- e) An opportunity to present oral or documentary evidence and arguments supporting a position without undue interference;
 - f) An opportunity to question or refute any testimony or other evidence and to confront and cross-examine any adverse witnesses;
 - g) Assurance that the hearing shall be conducted and the decision made by a hearing official who did not participate in making the decision under appeal or in any previously held conference;
 - h) Assurance that the decision of the hearing official shall be based on the oral and documentary evidence presented at the hearing and made a part of the hearing record;
 - i) Assurance that the parties concerned and any designated representative shall be notified in writing of the decision of the hearing official;
 - j) Assurance that a written record shall be prepared with respect to each hearing, which shall include the challenge or the decision under appeal, any documentary evidence and a summary of any oral testimony presented at the hearing, the decision of the hearing official, including the reasons therefore, and a copy of the notification to the parties concerned of the decision of the hearing official;
 - k) Assurance that the written record of each hearing shall be preserved for a period of five years and shall be available for examination by the parties concerned or their representatives at any reasonable time and place during that period;
 - l) Notice that benefits already ongoing shall be continued until ten working days after a decision has been reached by the hearing official;
 - m) Notice that households that have been approved for benefits and that are subject to a reduction or termination of benefits later in the same school year shall receive continued benefits if they appeal the adverse action within the 10-calendar-day advance notice period; and
 - n) Notice that households that are denied benefits upon application shall not receive benefits.
7. Not segregate or discriminate against any child because of inability to pay the full price. Further assurance is given that:
- a) The names of the children shall not be published, posted, or announced in any manner, unless and approved multi-use application is in use;
 - b) There shall be no overt identification of any of the children by the use of special tokens, tickets, or by any other means;
 - c) The children shall not be required to work for their meals or milk;
 - d) The children shall not be required to use a separate dining area, go through a separate serving line, enter the dining area, or consume their meals or milk at a different time;
 - e) When more than one lunch, breakfast, or type of milk is offered which meets the requirements of 7 CFR parts 210.10, 220.8 or 215.2, the children shall have the same choice of meals and/or milk that is available to those children who pay the full price for their meals and/or milk; and
 - f) Children shall not be discriminated against because of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation and marital or family status.
8. Make determinations of eligibility for free or reduced-price benefits specified in 7 CFR part 245. Officials shall use the criteria referred to in this policy for the parent application.
9. Distribute to each child's parent or guardian a letter announcing eligibility criteria as required in 7 CFR part 245.5(a) and an application form for free or reduced-price benefits at the beginning of each school year and whenever there is a change in eligibility criteria.

Appendix E (continued)

10. Make available the free and reduced-price guidelines and other information contained in the parent letter to local unemployment offices and major employers contemplating large layoffs in the area from which its attendance is drawn as required in 7 CFR part 245.5(a).
11. Verify approved free and reduced-price applications by December 15 as specified by 7 CFR part 245.6a. Maintain a description of the verification activities as required by CFR part 245.6a 3(c).
12. Have the opportunity to determine children as eligible for free meals or free milk based on Direct Certification in place of information submitted by the household on the income application. Direct Certification forms must be retrievable by school.
13. Agree that the STATE AGENCY will submit a public/press release containing both free and reduced-price eligibility guidelines and other information required to be contained in parent letter to news media. The SPONSOR agrees to submit a public/press release to local unemployment offices and major employers contemplating or experiencing layoffs.

Policy Statement for Nonpricing Programs

The SPONSOR warrants and represents that:

1. All children in attendance or residence are being served the same choice of meals and/or milk at no separate charge.
2. The SPONSOR has data on all children claimed for free or reduced-price benefits and assures the STATE AGENCY that each child receiving such benefits meets the prescribed eligibility criteria.
3. A daily count is kept by meal type for all meals and/or milk claimed.

() Special Assistance - Provision 1 Programs, Additional Requirements if applicable

A School Food Authority of a school having at least 80 percent of its enrolled children determined eligible for free and reduced-price meals may, at its option, authorize the school to reduce annual certification and public notification for those children eligible for free meals to once every two consecutive school years. The following requirements shall apply:

1. A School Food Authority of a school operating under Provision 1 requirements shall publicly notify parents of enrolled children who are receiving free meals once every two consecutive school years, and shall publicly notify parents of all other enrolled children on an annual basis.
2. The 80 percent enrollment eligibility for this alternative shall be based on the school's March enrollment data of the previous school year, or on other comparable data.
3. A School Food Authority of a school operating under Provision 1 shall count the number of free, reduced-price and paid meals served to children in that school as a basis for monthly reimbursement claims.

() Special Assistance - Provision 2 Programs, Additional Requirements if applicable

A School Food Authority which oversees a school serving meals free of charge to all enrolled children in that school may publicly notify and certify children for free and reduced-price meals for up to four consecutive school years, provided that eligibility determinations shall be in accordance with 7 CFR part 245.3 during the first school year. The following requirements shall apply:

Appendix E (continued)

1. Except for assistance properly made available under parts 210, 220, 240, 250, the Indian Child Welfare Act 95-608, and by other legislation, a School Food Authority of a school operating under Provision 2 requirements agrees to pay with funds from other than federal sources for:
 - a) meals served to children not eligible for free or reduced-price meals; and
 - b) the differential between the per-meal cost and federal reimbursement received for each free or reduced-price meal, respectively, served to children eligible to receive such meals under applicable program regulations.
2. In the first year, schools must take daily counts each month of the number of meals served by meal type (free, reduced-price, and paid) and convert the number of each meal type to a percentage of total meals served for the month. The percentages are derived by dividing the monthly total number of meals served by one meal type (e.g. free) by the total number of meals served the same month for all meal types (free, reduced-price, and paid).
3. For the purpose of calculating reimbursement claims, for the second, third, and fourth school years, the three percentages, calculated at the end of each month of the first school year (base year), shall be multiplied by corresponding monthly meal totals of all meal types (free, reduced-price and paid meals).
4. Eligibility determinations from the base year must be maintained for as many years as necessary to substantiate claims for reimbursement in the applicable Provision 2 cycle, including any extensions of that cycle.

() Special Assistance - Provision 3 Programs, Additional Requirements if applicable

A School Food Authority which oversees a school serving meals free of charge to all enrolled children may publicly notify and certify children for free and reduced-price meals for up to five consecutive school years, provided that eligibility determinations shall be in accordance with 7 CFR part 245.3 during the first school year. The following requirements shall apply:

1. Except for assistance properly made available under parts 210, 220, 240, 250, the Indian Child Welfare Act 95-608, and by other legislation, a School Food Authority of a school operating under Provision 3 requirements agrees, after the first year, to pay with funds from other than federal sources for:
 - a) meals served to children not eligible for free or reduced-price meals; and
 - b) the differential between the per-meal cost and federal reimbursement received for each free or reduced-price meal, respectively, served to children eligible to receive such meals under applicable program regulations.
2. Reimbursement in the four years following the first year (base year) will be determined by taking the prior year's reimbursement and adjusting for changes in enrollment and inflation. Meal counts are not required to be taken during these years. Enrollment change must be based on the school's enrollment on October 31 annually.
3. Eligibility determinations from the base year must be maintained for as many years as necessary to substantiate claims for reimbursement in the applicable Provision 3 cycle, including any extensions of that cycle.

(Print or Type Name and Title)

(Authorized Signature)

(Sponsor/School)

(Date)